

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

IN RE:) **Chapter 11**
)
FABER BROTHERS, INC.,) **Case. No. 06 B 07852**
)
Debtor.) **Hon. Jack B. Schmetterer**

**THIRD AMENDMENT TO AGREED ORDER AUTHORIZING DEBTOR TO: (A)
USE CASH COLLATERAL ON AN EMERGENCY BASIS; AND (B) GRANT
ADEQUATE PROTECTION AND PROVIDE SECURITY AND OTHER RELIEF TO
WELLS FARGO FOOTHILL, INC.**

This matter having come before this Court on the motion ("Motion") of Faber Brothers, Inc. ("Debtor"), requesting that this Court enter an order authorizing Debtor to use cash collateral on an emergency and final basis, and grant adequate protection and provide security and other relief to Wells Fargo Foothill, Inc. ("Lender") in connection therewith; the Court, on July 20, 2006, having entered an Agreed Order Authorizing Debtor To: (A) Use Cash Collateral On An Emergency Basis; and (B) Grant Adequate Protection And Provide Security And Other Relief To Lender ("Emergency Cash Collateral Order") and having set September 1, 2006 for the continued Final Hearing on the Motion pursuant to that certain second amendment to the Emergency Cash Collateral Order entered on August 21, 2006; notice of the Final Hearing being sufficient and given to those parties required under the Emergency Cash Collateral Order pursuant to that certain Notice and Certificate of Service filed by the Debtor on July 20, 2006, as docket no. 20; the Debtor, Lender and the Committee having agreed to continue the Final Hearing and amend the Emergency Cash Collateral Order as herein provided; and unless otherwise indicated, all capitalized terms used herein having the meanings ascribed thereto in the Emergency Cash Collateral Order and by this reference being made a part hereof.

Having considered the Motion and the record in this Case, **IT IS HEREBY**

ORDERED THAT:

1. The date "September 1, 2006" in Definition 26 (Termination Date) in Exhibit A of the Emergency Cash Collateral Order is hereby replaced with the date "September 18, 2006."

2. The Budget shall be deemed replaced by the budget attached hereto as Exhibit A.

3. The Budget shall be further deemed to include any expenses incurred by the Debtor pursuant to and in accordance with the Faber Brothers, Inc. Sales Commission Program dated August 10, 2006, as amended from time to time with Lender's consent. Furthermore, any such expenses shall constitute Unpaid Budgeted Expenses even if not payable by Debtor until after the Termination Date, provided, that, such expenses otherwise satisfy the definition of Unpaid Budgeted Expenses.

4. Paragraph 3 (Carveout Terms) of the Emergency Cash Collateral Order shall be amended by (a) replacing the amount of "\$40,000" in subsection (i) thereof with the amount of "\$65,000", and (b) replacing the amount of "\$25,000" in subsection (ii)(b) thereof with the amount of "\$40,000."

5. Paragraph 6(g) of the Emergency Cash Collateral Order shall be deemed deleted in its entirety and replaced with the following:

"Adequate Protection – Insurance Premium Finance Company. Debtor is authorized to pay to Premium Assignment Corporation ("PAC"), on or about September 5, 2006, the sum of \$11,618 as set forth in the Budget as adequate protection of PAC's alleged interests in Debtor's general liability insurance policies issued by Granite State Insurance known as 02LX42588202 and 02UD465800423 (collectively, the "Policies"), which interests arise in connection with a Premium Finance Agreement concerning said Policies executed by the Debtor on or about December 29, 2005."

6. Paragraph 7(a) of the Emergency Cash Collateral Order shall be deemed deleted in its entirety and replaced with the following:

"Stipulations and Findings. The stipulations contained in Paragraph C of this Order, and the terms of Paragraph 5(a) of this Order, shall be binding on all parties in interest in the Case and their respective successors and assigns, including any Trustee, subject only to the right of the Committee to commence an adversary proceeding challenging such stipulations and terms on or before October 31, 2006."

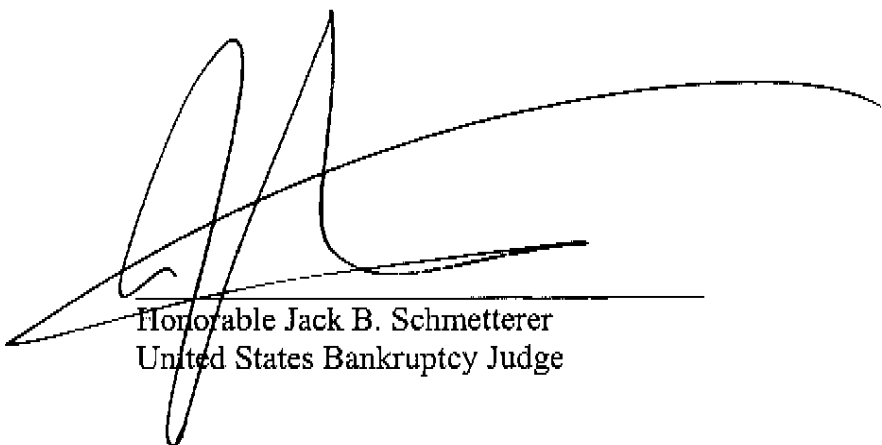
7. The Final Hearing shall occur on September 18, 2006 at 10³⁰ and may be continued from time to time without further notice other than that given in open court. Only presently filed objections to the proposed Final Hearing Order shall be deemed reserved and continued to the adjourned Final Hearing.

6. Debtor acknowledges and agrees, and the Court finds, that all of Lender's rights with respect to existing Events of Default, if any, are preserved notwithstanding the entry of this Order.

7. Except as expressly set forth herein, the terms of the Emergency Cash Collateral Order are not altered and remain in full force and effect.

8. The terms of this Order were negotiated in good faith and at arms' length.

DATED: September 1, 2006



Honorable Jack B. Schmetterer
United States Bankruptcy Judge

Faber Brothers, Inc.
Cash Forecast

WEEKLY CASH FLOW FORECAST

line #	Remaining Budget	9/8/2006	9/15/2006	Total
1	Operating cash balance	2,878,722	2,841,222	3,188,816
2	Sources			
3	Collection on accounts receivable		180,000	150,000
4	Collection on cash sales		238,000	361,000
5	Weekly payroll expense-Salary	8,500	8,000	8,000
6	Weekly payroll expense-Hourly	7,000	8,500	10,000
7	Commissions		14,000	23,000
8	Weekly payroll expense	15,500	30,500	41,000
9	Administrative and General			
10	Rent		3,750	3,750
11	Real estate taxes		2,538	2,538
12	Receipts from Subtenant			
13	Chief Liquidating Officer	20,000	17,500	17,500
14	Professional fees-Debtor			
15	Debtor Legal			
16	CCC			
17	Equipment Rental			
18	Comp & Office Supplies		500	500
19	Utilities		500	6,000
20	Insurance-genl		11,618	11,618
21	Communications			3,000
22	Insurance group			8,200
23	Equipment repair & maintenance		500	500
24	Computer programming			1,000
25	Postage & EDI		500	500
26	Burglar alarm			1,000
27	Taxes & licenses			
28	Travel			
29	Health & sanitation	2,000		
30	Other		2,500	2,500
31	Payroll on-costs			
32	Payroll taxes			
33	Document storage			
34	Advertising			
35	US Trustee fees			
36	Selling			
37	Salesperson travel			
38	Total Operating Expenses:	37,500	70,406	85,988
	Estimated Surplus/(Deficit)	2,841,222	3,188,816	3,613,827
				193,895

Faber budget thru 9-15, Oper exp budget thru we 9-15
9/1/2006 10:30 AM

EXHIBIT A